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INFO OCT-01 ISO-00 SSO-00 /026 W
-----201632Z 027262 /42

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C O N F I D E N T I A L SECTION 1 OF 4 LUSAKA 1065

EXDIS (UNTIL KAUNDA VISIT ANNOUNCED)

E.O. 11652: GDS
TAGS: AMGT, PFOR, US, ZA
SUBJ: PARM: ANNUAL POLICY AND RESOURCE ASSESSMENT - PART I

REF: CERP 0001

1. US INTERESTS

THERE IS A DISTINCTION BETWEEN DIRECT, LONG TERM BILATERAL U.S. INTERESTS IN ZAMBIA AND MEDIUM AND SHORT TERM ONES. A REALISTIC ASSESSMENT MUST CONCLUDE THAT OUR LONG TERM, DIRECT BILATERAL INTERESTS IN ZAMBIA ARE NOT GREAT. IT IS OF SOME IMPORTANCE AS A RELATIVELY MODERATE, DEMOCRATIC NATION, WHICH IS A SIGNIFICANT SUPPLIER OF COPPER TO EUROPE AND JAPAN AND HAS THE POTENTIAL OF DEVELOPING ITS AGRICULTURE AND INDUSTRY TO FORM THE BASIS OF A HEALTHY ECONOMY. HOWEVER, U.S. INVESTMENT IS RELATIVELY SMALL AND THE NUMBER OF DIRECT INTERESTS INVOLVED COMPARATIVELY FEW. IN THE MEDIUM AND SHORT TERM, U.S. INTEREST IN ZAMBIA IS MUCH GREATER. THE COUNTRY PLAYS A CENTRAL ROLE IN MATTERS OF PRINCIPAL IMMEDIATE CONCERN TO THE U.S. AND AFRICA. THE AF ASSESSMENT OF DEVELOPMENTS IN FY 79 NOTES THAT NORTH/SOUTH ECONOMIC ISSUES TOGETHER WITH POLITICAL ISSUES SURROUNDING TRANSITION TO MAJORITY RULE IN SOUTHERN AFRICA WILL BE THE PRINCIPAL CONCERNS OF U.S. POLICY IN AFRICA. ZAMBIA'S ROLE IN THESE TWO ISSUES IS CENTRAL FOR TWO REASONS: IDEOLOGICALLY, ITS
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RELATIVELY MODERATE BUT STRONG THIRD-WORLD POSITION PERMITS IT TO MAINTAIN CLOSE RELATIONS AND AN INFLUENTIAL POSITION WITH MOST OF THE COUNTRIES OF AFRICA AND MANY OF THE THIRD-WORLD GROUP ON NORTH/SOUTH ISSUES. GEOGRAPHICALLY, ITS POSITION PLACES IT IN THE CENTER OF SOUTHERN AND CENTRAL AFRICAN PROBLEMS. DRAMATICALLY PUT, IT IS AT THE MOMENT SURROUNDED BY FOUR WARS ON ITS FOUR SIDES, WITH ITS LIFELINE PASSING THROUGH ITS PEACEFUL

NEIGHBOR, TANZANIA. AS LONG AS THIS SITUATION PREVAILS, U.S. BROADER INTERESTS IN SEEKING A SOLUTION TO THE PROBLEMS OF SOUTHERN AFRICA, AVOIDING A CRISIS IN RACE RELATIONS IN THE AREA, AND MOVING TOWARDS POSITIVE COOPERATION IN NORTH/SOUTH RELATIONS WILL BE IMPORTANTLY AFFECTED BY ZAMBIAN GOVERNMENT POLICIES AND ACTIONS.

II. OVERVIEW

INTRODUCTION: ZAMBIA'S INTERESTS SINCE INDEPENDENCE HAVE IN LARGE PART BEEN DEFINED BY ONE MAN, PRESIDENT KAUNDA. AS LONG AS HE REMAINS IN POWER, THESE INTERESTS AND THE POLICIES WHICH FOLLOW FROM THEM ARE LIKELY TO REMAIN UNCHANGED. ZAMBIA WILL CONTINUE TO BE PREOCCUPIED BY THE QUESTION OF MAJORITY RULE IN RHODESIA AND NAMIBIA. AS HE SEES THE CHANCE FOR A NEGOTIATED SETTLEMENT (HIS PREFERENCE) LESSEN, KAUNDA IS COMMITTING HIS COUNTRY, RELUCTANTLY, TO THE ARMED STRUGGLE WHATEVER THE COST. IN SO DOING KAUNDA, DESPITE HIS FEARS OF SOVIET INVOLVEMENT, MAY MOVE CLOSER TO THE SOVIET UNION AND EASTERN EUROPEAN COUNTRIES WHO ARE PREPARED TO GIVE UNEQUIVOCAL SUPPORT TO THE ARMED STRUGGLE AND TO HIS PREFERRED NATIONALIST LEADER JOSHUA NKOMO. ZAMBIA IN INTERNATIONAL FORA, OUT OF A SENSE OF SOLIDARITY WITH ITS THIRD WORLD PEERS, WILL CONTINUE TO TAKE POSITIONS AT VARIANCE WITH THOSE OF THE UNITED STATES. KAUNDA'S MOST IMMEDIATE FOREIGN POLICY CONCERN AFTER RHODESIA WILL BE RELATIONS WITH THE FRONTLINE STATES WHICH CONTROL HIS ACCESS TO THE SEA AND PROVIDE ALLIES FOR THE PURSUIT OF MAJORITY RULE. TO THE

NORTH HE WILL BE CONFRONTED BY AN UNSETTLED ZAIRE WHERE FIGHTING
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MIGHT SPILL OVER HIS BORDER. ZAMBIA'S RELATIONS WITH THE UNITED STATES WILL BE POSITIVELY OR ADVERSELY AFFECTED BY WHAT KAUNDA PERCEIVES AS THE SERIOUSNESS OF U.S. INTENT TO BRING ABOUT MAJORITY RULE IN RHODESIA AND NAMIBIA. INTERNALLY, HE WILL BE FACED BY A STAGNATING ECONOMY, SOCIAL UNREST, AND THE REAL THREAT THAT IN 1978 HIS PARTY WILL NOT MAKE MUCH OF A SHOWING AT THE POLLS.

A. DOMESTIC: THE ZAMBIAN DOMESTIC POLITICAL SITUATION, WHILE STABLE, IS MARKED BY DISSATISFACTION. EXPRESSIONS OF DISCONTENT WITH THE GOVERNMENT'S AND THE PARTY'S PERFORMANCE IN DOMESTIC MATTERS ARE WIDESPREAD. THE UNIP PARTY STRUCTURE, WHICH IS MEANT TO BE THE FRAMEWORK OF THE DOMESTIC POLITICAL PROCESS, IS TOP HEAVY WITH OFFICIALS AND COMMITTED PARTY WORKERS ARE IN SHORT SUPPLY. PRESIDENT KAUNDA DEVOTES MUCH OF HIS TIME TO FOREIGN AFFAIRS CONCERNS OF REMOTE OR NEGATIVE INTEREST TO THE MAJORITY OF ZAMBIANS. MOST OF THESE SAME ZAMBIANS ALSO VIEW THE PARTY CREDO OF HUMANISM SKEPTICALLY. THE PARTY'S NON-PERFORMANCE IN IMPROVING THE STANDARD OF LIVING OF THE COMMON MAN IS A CONSTANT POINT OF PUBLIC AND PRIVATE CRITICISM. THUS

FAR, PRESIDENT KAUNDA HAS NOT BEEN BLAMED FOR THE PARTY'S FAILURE AND SUPPORT FOR HIM AS ZAMBIA'S LEADER CONTINUES TO BE WIDESPREAD AND UNCONTESTED PUBLICLY. HOWEVER, KAUNDA AND HIS INTIMATES LOOK TO THE OCTOBER 1978 GENERAL ELECTIONS WITH RISING CONCERN, FEARING THAT VOTERS WILL SHOW THEIR DISAPPROVAL BY MASSIVE ABSTENTIONS AND BY DEFEATING PARTY-PREFERRED CANDIDATES. HOWEVER, THE THRESHHOLD OF SUFFERING OF THE AVERAGE ZAMBIAN APPEARS TO BE HIGH AND SINCE THERE IS NO CURRENTLY ACTIVE NATIONAL POLITICAL FIGURE WHO COULD MOBILIZE THIS DISCONTENT, A SIGNIFICANT THREAT TO KAUNDA'S CONTROL IN THE SHORT TERM APPEARS TO BE REMOTE. DESPITE ITS MANY ECONOMIC PROBLEMS, ZAMBIA HAS MANAGED THE PRESENT CRISIS WITH REMARKABLY FEW TRAUMATIC DISRUPTIONS AND, BARRING ANY MAJOR COMPLICATIONS, SUCH AS BEING CUT OFF FROM ITS ROUTE TO THE SEA, SHOULD CONTINUE TO COPE REASONABLY WELL. OVER THE NEXT TWO TO THREE YEARS ZAMBIA WILL CONFRONT DIFFICULT ECONOMIC PROBLEMS WHOSE FUNDAMENTAL CAUSE LIES IN THE SLOW RECOVERY IN COPPER PRICES RESULTING IN SCARCE FOREIGN EXCHANGE

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EARNINGS AND GOVERNMENT REVENUES. THE GRZ'S SUCCESS IN MEETING

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THESE PROBLEMS WILL BE LIMITED BY THE SAME FACTOR WHICH HAS HELPED TO COMPOUND THEM--THE SHORTAGE OF QUALIFIED, CAPABLE MANAGERIAL TALENT. THIS SHORTAGE WILL BE FELT MOST DRAMATICALLY IN THE ALMOST COMPLETELY PARASTATAL INDUSTRIAL SECTOR WHERE MISMANAGEMENT IS FREQUENT. TO PREVENT ZAMBIA'S INDUSTRIES FROM FURTHER DETERIORATION, THE GRZ MAY BE FORCED TO SHIFT ITS

POLICIES TOWARDS THE ENCOURAGEMENT OF PRIVATE ENTERPRISE. RECENT SIGNS INDICATE SOME RETHINKING ALONG THESE LINES. GRZ SENIOR OFFICIALS CAN BE EXPECTED TO DEVOTE MUCH TIME AND EFFORT IN AN ATTEMPT TO DIVERSIFY THE COUNTRY INTO AGRICULTURE AND GRAPPLE WITH PROBLEMS POSED BY ZAMBIA'S EXPANDING INDEBTEDNESS. DIVERSIFICATION INTO AGRICULTURE MAY HAVE LIMITED SUCCESS, DUE IN PART TO SHORTAGES OF FOREIGN EXCHANGE AND GOVERNMENT REVENUES AND IN PART TO THE OVERWHELMING PROBLEMS OF MOVING AGRICULTURE FROM ITS LARGELY SUBSISTENT ORIENTATION TOWARDS MARKET PRODUCTION. BASED ON ITS PAST PERFORMANCE, PROSPECTS ARE THAT THE GRZ WILL BE ABLE TO KEEP ITS EXTERNAL INDEBTEDNESS TO MANAGEABLE PROPORTIONS, DESPITE ITS SHARPLY INCREASING NEED FOR EXTERNAL BORROWING.

B. FRONTLINE FOCUS: THE MAJOR DETERMINANT OF ZAMBIAN FOREIGN POLICY IS ITS RELATIONSHIP WITH THE OTHER FOUR NATIONS OF THE FRONTLINE. ZAMBIA'S FEAR OF POLITICAL ISOLATION AND ITS VULNERABILITY TO OTHER NATIONS (MOSTLY FRONTLINE) BECAUSE OF BEING LANDLOCKED, DETERMINES ITS FRONTLINE FOCUS. AMONG THE FRONTLINE COUNTRIES, NONE ARE AS IMPORTANT AS TANZANIA. CONFIDENTIAL

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BESIDES KAUNDA'S LONG AND CLOSE FRIENDSHIP WITH NYERERE, ZAMBIA'S OIL PASSES THROUGH THE PIPELINE FROM DAR, ITS COPPER IS EXPORTED VIA THE TAZARA RAILWAY TO DAR AND MOST OF ITS SUPPLIES ARE RECEIVED VIA ROAD OR RAIL FROM DAR. THE SERIES OF TRANSPORTATION CRISES WHICH HAVE MARKED ZAMBIA'S BRIEF INDEPENDENCE HAVE SENSITIZED IT TO THIS ISSUE ABOVE ALL OTHERS. IN THE EMBASSY'S VIEW, MAJOR FOREIGN POLICY DECISIONS TAKEN DURING THE LAST YEAR, SUCH AS EXCLUSIVE RECOGNITION OF THE PATRIOTIC FRONT AND THE LUKEWARM ATTITUDE TOWARDS SUPPORT FOR ZAIRE IN THE SHABA INVASION, ARE DICTATED PRIMARILY BY ZAMBIA'S FEELING OF VULNERABILITY AND ITS DESIRE TO COORDINATE AND STRENGTHEN ITS RELATIONSHIP WITHIN THE FRONTLINE GROUP. THIS ATTITUDE IS LIKELY TO CONTINUE THROUGH 1979.

C. RHODESIA: KAUNDA IS EMOTIONALLY COMMITTED TO BRINGING ABOUT MAJORITY RULE IN SOUTHERN AFRICA IN GENERAL AND RHODESIA IN PARTICULAR, AND TO THE LEADERSHIP OF AN INDEPENDENT ZIMBABWE BY JOSHUA NKOMO. ONE AFTER THE OTHER, ATTEMPTS TO ACHIEVE A PEACEFUL SETTLEMENT HAVE FAILED. INDICATIONS ARE THAT HE IS BECOMING MORE CONVINCED THAT THE ARMED STRUGGLE IS THE ONLY WAY TO BRING ABOUT MAJORITY RULE. BELIEVING HIMSELF DECEIVED BY THE WEST, HE NOW APPEARS WILLING TO TURN TO THE SOVIET UNION BECAUSE THE SOVIET UNION AND THE EASTERN EUROPEAN COUNTRIES ARE WILLING TO PROVIDE ARMS. KAUNDA SUPPORTS THE NKOMO/MUGABE PATRIOTIC FRONT MORE UNEQUIVOCALLY THAN SOME OF HIS FRONTLINE PARTNERS. HE ARGUES THAT HIS SUPPORT IS BASED STRICTLY ON THE FACT THAT THE PATRIOTIC FRONT IS WAGING THE WAR THAT WILL BRING ABOUT THE LIBERATION OF RHODESIA. TO AN EXTENT THIS IS TRUE, BUT A MAJOR ELEMENT IN THIS SUPPORT IS KAUNDA'S COMMITMENT TO THE PERSON OF JOSHUA NKOMO, WHOM HE FINDS PERSONALLY AND

IDEOLOGICALLY CONGENIAL.

DUE TO HIS MANY DISAPPOINTMENTS AND THE ELECTORAL WEAKNESS OF HIS CHOSEN CANDIDATE INSIDE RHODESIA KAUNDA MAY PROVE LESS WILLING THAN HE HAS IN THE PAST TO BACK A NEGOTIATED SETTLEMENT WHICH CALLS FOR A REFERENDUM OR ELECTIONS. IN JUDGING THE VALIDITY OF PROPOSALS, HE MAY BE GUIDED BY HOW THEY AFFECT THE POLITICAL PROSPECTS OF JOSHUA NKOMO. THIS CONSIDERATION MAY
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LEAD HIM TO RESIST ANY PLAN WHICH CALLS FOR ELECTIONS OR A REFERENDUM WHOSE RESULTS COULD NOT BE DICTATED BY NKOMO.

KAUNDA PROBABLY WILL BE WILLING TO RISK INCURSIONS BY RHODESIAN FORCES INTO ZAMBIAN TERRITORY BY PERMITTING ZAPU FORCES TO INCREASINGLY USE ZAMBIAN TERRITORY AS A STAGING AREA.

DESPITE THE WELCOMING OF COMMUNIST MATERIAL SUPPORT FOR THE ARMED STRUGGLE, IF HE HAS ANY CHOICE, IT IS UNLIKELY THAT KAUNDA WOULD ENDORSE THE USE OF CUBAN COMBAT TROOPS UNLESS THERE WAS THE DIRECT INVOLVEMENT OF SOUTH AFRICAN FORCES IN THE RHODESIAN WAR.

KAUNDA WILL CONTINUE TO PRESS THE U.S. TO TAKE EFFECTIVE ACTION TO BRING SMITH DOWN. IN HIS VIEW THIS MEANS THE U.S. MUST PRESSURE VORSTER TO WITHDRAW SUPPORT FROM SMITH. IT ALSO MEANS APPLYING SANCTIONS, ESPECIALLY OIL SANCTIONS, RIGOROUSLY. THE FAILURE OF THE U.S. TO PERFORM AS HE DESIRES IN THESE TWO AREAS WILL ADVERSELY AFFECT U.S.-ZAMBIAN RELATIONS.

D. ANGOLA AND MOZAMBIQUE: ZAMBIA IS STILL IN THE PROCESS OF DEVELOPING ITS LINKS WITH NEWLY INDEPENDENT MOZAMBIQUE AND ANGOLA. EVER CONSCIOUS OF ITS LANDLOCKED POSITION AND THE NEED FOR ACCESS TO SEAPORTS, ZAMBIA WILL STRIVE
TO BUILD AND MAINTAIN

GOOD RELATIONS WITH THE TWO FORMER PORTUGUESE TERRITORIES. THE MORE RADICAL SOCIALIST IDEOLOGIES ADOPTED BY ANGOLA AND MOZAMBIQUE, COUPLED WITH THE RECOGNITION THAT THE TWO COUNTRIES HAVE INTRODUCED SUBSTANTIAL SOVIET AND EASTERN EUROPEAN INFLUENCE INTO SOUTHERN AFRICA IS VIEWED WITH PRIVATE DISAPPROVAL AND CONCERN IN LUSAKA. NEVERTHELESS, ZAMBIA HAS ACCEPTED THAT NETO FOR THE MOMENT IS NOT TO BE RECONCILED WITH UNITA AND FNLA, AND FULL NORMALIZATION OF RELATIONS WITH ANGOLA IS BEING SOUGHT. RECENT EVENTS IN ZAIRE COULD COMPLICATE ZAMBIAN-ANGOLAN RELATIONS, BUT ONLY IF DIRECT INTERVENTION COMES FROM ANGOLA OR ITS SOVIET AND CUBAN FRIENDS OR IN THE EVENT ANGOLA SHOULD SUPPORT A SECESSIONIST MOVEMENT IN SHABA. WITH MOZAMBIQUE THE PROBLEMS ARE NOT AS THORNY AND THE MUTUAL DESIRE OF THE
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TWO COUNTRIES TO REACH A SOLUTION OVER THE RHODESIAN QUESTION BINDS THEM TOGETHER. THIS IS TRUE EVEN IF THEY DO NOT NECESSARILY SEE EYE TO EYE ON THE ULTIMATE FORM OF GOVERNMENT IN AN INDEPENDENT ZIMBABWE OR THE FUTURE LEADER OF THAT COUNTRY. ZAMBIA AND MOZAMBIQUE (WITH BOTSWANA) ARE THE FRONTLINE COUNTRIES BORDERING RHODESIA AND ARE DEEPLY CONCERNED ABOUT THE EFFECTS OF AN ESCALATED WAR INTO THEIR OWN TERRITORIES.

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E. ZAIRE: ZAMBIANS WOULD LIKE TO TREAT THE INCURSION OF KATANGAN FORCES FROM ANGOLA INTO SHABA PROVINCE AS AN INTERNAL ZAIRIAN AFFAIR. BY SO DOING THEY COULD AVOID CHOOSING ISUES BETWEEN ANGOLA AND ZAIRE AND COULD REMAIN FAITHFUL TO THEIR SUPPORT FOR THE TERRITORIAL INTEGRITY OF AFRICAN STATES. THEY ARE FEARFUL THAT SHABA DEVELOPMENTS WILL LEAD TO THE INTERNATIONALIZATION AND INTENSIFICATION OF THE CONFLICT, WHICH COULD HAVE THE EFFECT OF PRESENTING ZAMBIA WITH A REFUGEE PROBLEM AND VIOLATIONS OF ITS TERRITORY. LONGER TERM EFFECTS WOULD BE THE DISTRACTION OF AFRICAN AND WORLD ATTENTION FROM THE LIBERATION OF SOUTHERN AFRICA. ZAMBIA CAN BE EXPECTED TO TRY TO FOLLOW A MIDDLE COURSE IN CONFRONTING THE SHABA PROBLEM. IT IS LIKELY THAT THE GRZ WILL CONTINUE TO PERMIT THE MOVEMENT OF PETROLEUM PRODUCTS TO SHABA AS LONG AS THIS DOES NOT ADVERSELY AFFECT ZAMBIA'S OWN REQUIREMENTS. ZAMBIA ALSO WILL AVOID TAKING ANY PUBLIC STAND FAVORING EITHER ZAIRE OR ANGOLA. IF CUBANS AND/OR THE SOVIETS BECOME ACTIVELY INVOLVED ON THE SIDE OF THE KATANGANS, ZAMBIA PROBABLY WOULD, AS A FIRST STEP, CALL FOR WITHDRAWAL OF ALL FOREIGN FORCES AND AVOID CONDEMNING ANY OF THE PARTIES INVOLVED.

F. NAMIBIA AND SOUTH AFRICA: KAUNDA IS CONVINCED THAT IT IS BOTH THE DUTY OF ZAMBIA AND IN ZAMBIA'S INTEREST TO BACK FULL

INDEPENDENCE FOR NAMIBIA. IN ZAMBIAN EYES AN INDEPENDENT NAMIBIA
MEANS A NAMIBIA GOVERNED BY SWAPO. ZAMBIAN MONEY, TRAINING
FACILITIES AND ARMS TO ASSIST SWAPO IN OVERTHROWING ANY INDEPENDENT-
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ENT GOVERNMENT FROM WHICH SWAPO IS EXCLUDED WILL BE MADE AVAILABLE.
ZAMBIA WILL CONTINUE TO BACK SWAPO'S DEMANDS AND ENCOURAGE
UN ACTION, INCLUDING SANCTIONS, DIRECTED AGAINST SOUTH AFRICA
IN SUPPORT OF SWAPO.

KAUNDA IS AS TROUBLED BY THE INJUSTICES INFLICTED ON THE BLACK
MAN BY WHITES IN SOUTH AFRICA AS HE IS BY SIMILAR INJUSTICES
IN NAMIBIA AND RHODESIA. HOWEVER, HE RECOGNIZES THAT SOUTH AFRICA
IS A MUCH MORE COMPLEX PROBLEM AND NOT ONE OF COLONIALISM. HIS
AIM IS TO BRING ABOUT INTERNAL CHANGES IN SOUTH AFRICA WHICH
WILL PROTECT THE RIGHTS OF ALL RACES. HIS MEANS FOR ACHIEVING
THIS WILL BE TO WORK THROUGH THE UN, THE U.S. AND OTHER WESTERN
POWERS. KAUNDA CAN BE EXPECTED TO REMIND THE WESTERN COUNTRIES
CONSTANTLY OF THEIR RESPONSIBILITIES AND TO PRESS UPON THEM THE
NEED TO USE THEIR ECONOMIC POWER TO PERSUADE SOUTH AFRICA
THAT IT MUST CHANGE.

G. USSR, CUBA AND CHINA: THE PODGORNÝ VISIT TO ZAMBIA IN LATE
MARCH 1977 HAS SERVED TO BRING ZAMBIA-SOVIET RELATIONS BACK TO
THE POINT THEY WERE BEFORE ANGOLA AND BEFORE THE UNIVERSITY
UNREST IN JANUARY 1976. RELATIONS ARE FRIENDLY, BUT NOT CLOSE.
HAVING EXPERIENCED SOVIET SUBVERSION AT THE UNIVERSITY, ZAMBIA
IS NOW MORE WARY OF SOVIET INTENTIONS AND HAS A MORE REALISTIC
ATTITUDE TOWARDS THE POSSIBILITIES OF SUBVERSION. HOWEVER,
COMMITMENT TO THE LIBERATION OF SOUTHERN AFRICA HAS MADE ZAMBIA
MORE WILLING TO SEE THE SOVIET UNION PLAY A ROLE AS ARMS
SUPPLIER TO THE LIBERATION MOVEMENTS. RELATIONS WITH CUBA ARE
CORRECT BUT NOT SIGNIFICANT. ZAMBIA REMAINS OPPOSED TO CUBAN
OR OTHER COMMUNIST MILITARY PRESENCE IN ZAMBIA. RELATIONS WITH
CHINA ARE GOOD, ALTHOUGH CHINA APPEARS TO PERCEIVE INCREASED
SOVIET INVOLVEMENT IN THE LIBERATION STRUGGLE DRAMATIZED BY THE
PODGORNÝ VISIT, WITH MISGIVING AND MAY ATTEMPT TO COUNTER THIS
BY EXERTING GREATER INFLUENCE IN ZAMBIA. ZAMBIA CONSIDERS
CHINA TO BE THE ONLY BIG POWER WHICH HAS NO ULTERIOR MOTIVES IN
ITS DEALINGS WITH ZAMBIA.

H. THIRD WORLD: ZAMBIA'S INTEREST IN THIRD WORLD ISSUES TAKES
SECOND PLACE TO ITS CONCERN WITH SOUTHERN AFRICAN DEVELOPMENTS
BUT BEFORE THOSE WITH EITHER THE WEST OR COMMUNIST COUNTRIES.
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MANY OF THE THIRD WORLD POLITICAL ISSUES HAVE NO DIRECT RELEVANCE
TO ZAMBIA AND ZAMBIAIS LIKE TO SAY THAT IN ISSUES ADDRESSED AT
THIRD WORLD FORA THEY ARE GUIDED BY PRINCIPLE. IT HAS BEEN OUR

EXPERIENCE THAT THIS MEANS THEY TAKE POSITIONS BASED ON A SENSE OF SOLIDARITY WITH THEIR THIRD WORLD PEERS. IN SO DOING, MORE OFTEN THAN NOT THEY BACK EXTREME POSITIONS UNACCEPTABLE TO THE U.S. WE SEE LITTLE PROSPECT THAT THIS TENDENCY WILL ABATE. HOWEVER, BASED ON ITS PAST RECORD, POSITIONS TAKEN BY ZAMBIA ON NORTH/SOUTH ECONOMIC ISSUES IN WHICH ZAMBIA HAS AN INTEREST SHOULD TEND TO BE MORE MODERATE AND IN SOME INSTANCES SUPPORTIVE OF THE U.S.

III. OBJECTIVES, COURSES OF ACTION AND ISSUES

A. OBJECTIVE: THAT ZAMBIA TAKE A MODERATE POSITION IN SEEKING NEGOTIATED SETTLEMENT OF THE PROBLEMS OF SOUTHERN AND CENTRAL AFRICA, RESISTING MILITARY SOLUTIONS.

COURSES OF ACTION:

1. MAINTAIN CLOSE CONTACT WITH THE INFLUENTIAL LEADERSHIP OF ZAMBIA. BUILD ON PRESIDENT KAUNDA'S VISIT TO THE U.S. IN MAY THROUGH THE USE OF PRESIDENTIAL LEVEL CORRESPONDENCE WHICH TAKES ADVANTAGE OF KAUNDA'S HIGH REGARD FOR PRESIDENT CARTER. IF PROGRESS IS MADE TOWARDS A NEGOTIATED SOLUTION BASED ON US-UK INITIATIVES, CONSIDERATION SHOULD BE GIVEN TO A PRESIDENTIAL VISIT TO AFRICA LATER IN THE YEAR TO CONSOLIDATE THIS PROGRESS AND TAKE ADVANTAGE OF THE FAVORABLE CLIMATE. VISITS OF OTHER OFFICIALS INCLUDING THE SECRETARY, AMBASSADOR TO THE UN, AND ASSISTANT SECRETARY SHOULD ALSO CONTINUE. AT SOME POINT A TRIP TO THE U.S. BY HIGH LEVEL UNIP OFFICIALS SHOULD BE ORGANIZED.

2. BILATERAL ASSISTANCE. ZAMBIANS HAVE RECOGNIZED THE SIGNIFICANT CHANGE IN US POLICY, DATING FROM THE LUSAKA SPEECH OF APRIL 1976, TO A WILLINGNESS TO PLAY A POSITIVE ROLE IN SEARCHING FOR SOLUTIONS TO THE PROBLEM OF SOUTHERN AFRICA. IN THEIR VIEW THERE IS NO CLEARER MANIFESTATION OF THIS THAN OUR INCREASED ASSISTANCE TO ZAMBIA WHICH IN 1977 WAS LARGER (\$25 MILLION) THAN ALL THE

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YEARS SINCE INDEPENDENCE COMBINED. ZAMBIA EXPECTS THAT WE WILL MAINTAIN THIS PROGRAM. THE EMBASSY CONSIDERS IT SENSIBLE AND EFFECTIVE. IT IS DESIGNED FOR SHORT TERM, TEMPORARY HELP, NOT FOR BUILDING A LONG TERM DEVELOPMENT PROGRAM. THIS IS IN LINE WITH OUR INTERESTS AS STATED ABOVE. THE LEVEL OF COOPERA-

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EXDIS

TION WHICH WE ARE RECEIVING FROM THE ZAMBIANS IN THE IMPLEMENTA-
TION OF THE PROGRAM IS BETTER THAN AT ANY PREVIOUS TIME. WE
BELIEVE THAT THE PROGRAM SHOULD BE MAINTAINED AND THE LEVEL OF
THE PROGRAM LOAN INCREASED. THE IMMEDIATE FUTURE COULD BE THE
PROGRAM'S MOST CRUCIAL PERIOD AND EVERY EFFORT SHOULD BE DEVOTED
OT ITS INTELLIGENT ADMINISTRATION.

3. EXERTION OF PRESSURE ON RHODESIA AND SOUTH AFRICA. IN THE
FINAL ANALYSIS, HOUR SHORT TERM INFLUENCE IN ZAMBIA IS A FUNCTION
OF THE LEVERAGE THE ZAMBIANS BELIEVE WE CAN EXERCISE ON THE
GOVERNMENTS OF RHODESIA AND SOUTH AFRICA FOR MOVEMENT TOWARDS
MAJORITY RULE, INDEPENDENCE, AND RACIAL JUSTICE. TO MAINTAIN THE
CREDIBILITY OF THIS INFLUENCE, IT MUST CONTINUALLY BE EXERCISED.
REPEAL OF THE BYRD AMENDMENT WAS AN IMPORTANT STEP. WE WILL NEED
TO CONTINUE TO EXPLORE MEANS OF FURTHER PRESSURE TO BRING SMITH
TO A FINAL SETTLEMENT, NAMIBIA TO AN ACCEPTABLE INTERNATIONAL
SOLUTION AND PROGRESS TOWARDS ABANDONMENT OF APARTHEID IN SOUTH
AFRICA. THIS SHOULD INVOLVE A SERIOUS EFFORT TO STEM THE SUPPLY
OF OIL AND ARMAMENTS TO RHODESIA AND A RECONSIDERATION OF THE
ROLE PLAYED BY AMERICAN FINANCIAL AND BUSINESS INSTITUTIONS IN
SOUTH AFRICA AND U.S. GOVERNMENT ACTIVITIES THERE. WE MUST
COMMUNICATE THE PROBLEMS AND PROGRESS OF THE APPLICATION OF
PRESSURE IN THESE AREAS TO ZAMBIA AND THE FRONTLINE COUNTRIES
BETTER THAN WE HAVE IN THE PAST.

(D) MAINTAIN U.S. INTELLIGENCE CAPABILITY AT PRESENT HIGH
LEVEL. WITHOUT ACCURATE KNOWLEDGE OF THE THINKING AND ACTIONS
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BEING TAKEN BY THE GOVERNMENT OF ZAMBIA AND THE ZIMBABWEAN
NATIONALISTS, AS WELL AS BY ELEMENTS IN NEIGHBORING AREAS TO
WHICH WE ARE DENIED (ANGOLA, RHODKMSIA, AND TO A LESSER DEGREE
MOZAMBIQUE AND SHABA), WE HAVE NO INTELLIGENT BASIS FOR
ADJUSTING OUR POLICIES.

B. OBJECTIVE: THAT PRODUCTIVE CONTACT WITH ZIMBABWEAN AND
NAMIBIAN NATIONALIST ORGANIZATIONS BE MAINTAINED.

1. COURSES OF ACTION:

(A) EFFORTS SHOULD BE MADE TO MAINTAIN A DIALOGUE WITH NATIONAL-

ISTS AT ALL LEVELS TO ENSURE THAT THEY UNDERSTAND U.S. POLICY TOWARDS SOUTHERN AFRICA AND CONSTRAINTS GOVERNING U.S. POLICY AND TO ENSURE THAT WE HAVE A CLOSE READING OF THEIR APPROACH TO THE LIBERATION OF THEIR COUNTRIES.

(B) EXPANDED EDUCATIONAL AND HUMANITARIAN ASSISTANCE SHOULD BE EXTENDED TO THE NATIONALIST GROUPS IN AN EVEN HANDED FASHION AS TESTIMONY OF U.S. CONCERN FOR THE WELL BEING OF THOSE WHO ARE STRUGGLING FOR INDEPENDENCE.

C. OBJECTIVE: THAT THERE SHOULD BE THE GREATEST POSSIBLE ZAMBIAN ACCEPTANCE OR AT LEAST UNDERSTANDING OF U.S. POSITIONS ON MULTILATERAL ISSUES.

1. COURSES OF ACTION:

(A) EMBASSY WILL CONTINUE TO DISCUSS WITH POLICY MAKERS THE ISSUES, STRIVING TO MAKE CLEAR AMERICAN INTERESTS AND CONCERNS AND HOW THESE CONCERNS COINCIDE WITH THE INTERESTS OF ZAMBIA.

(B) VISITS BY DEPARTMENT EXPERTS IN PARTICULAR FIELDS, (LAW OF THE SEAS, AND NORTH-SOUTH ISSUES, FOR EXAMPLE), SHOULD BE MADE TO ZAMBIA TO BACK UP EMBASSY EDUCATIONAL EFFORTS.

(C) USIS AND CU SHOULD CONTINUE TO SPONSOR VISITS BY SPEAKERS TO DISCUSS SPECIALIZED MULTILATERAL ISSUES WITH SELECT GROUPS.

(D) RADIO AND TV PLACEMENT OF ITEMS GIVING THE U.S. PERCEPTION OF SPECIFIC MULTILATERAL ISSUES SHOULD CONTINUE.

D. OBJECTIVE: THAT U.S. INVESTMENT INTERESTS IN ZAMBIA BE PROTECTED AND THE U.S. SHARE OF ZAMBIA'S IMPORT MARKET BE MAINTAINED.

1. COURSES OF ACTION:

(A) EMBASSY WILL MONITOR AND REPORT ON ZAMBIA'S ATTITUDE TOWARD CONFIDENTIAL

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PRIVATE FOREIGN INVESTMENT AND CODIFICATION OF GRZ INVESTMENT REGULATIONS.

(B) REPRESENTATIONS TO GRZ ON BEHALF OF U.S. EXPORTERS AND BUSINESSES FOR POSITIVE ACTION TO REDUCE CURRENT LONG TERM PAYMENTS ARREARAGES WILL CONTINUE. THIS REDUCTION WOULD ENCOURAGE U.S. SUPPLIERS TO REMAIN IN THE ZAMBIAN MARKET AND CONTINUE PRESENT LEVEL OF U.S. SHARE OF THE MARKET.

(C) TRADE PROMOTION EFFORTS ON CAPITAL AND AGRICULTURAL GOODS SECTOR SHOULD BE FOCUSED WHERE IMPORT LICENSES ARE MOST LIKELY TO BE FORTHCOMING. TRADE PROMOTION ACTIVITIES SHOULD EMPHASIZE COMPETITIVENESS OF U.S. GOODS COMPARED TO THE SAME PRODUCTS NOW SUPPLIED FROM NON-U.S. SOURCES RATHER THAN ATTEMPTING TO INTRODUCE NEW PRODUCTS IN THIS PERIOD OF LIMITED FOREIGN EXCHANGE AVAILABILITY.

(D) EMBASSY WILL CONTINUE TO STRESS TO GRZ THE IMPORTANCE OF ASSURING THAT AGREEMENTS WITH INVESTORS COVERED BY OPIC ARE LIVED UP TO TO INSURE CONTINUED AVAILABILITY OF OPIC COVERAGE AND ENCOURAGE CONTINUED U.S. INVESTMENT IN ZAMBIA.

E. OBJECTIVE: THAT ZAMBIAN RESPONSIVENESS AND UNDERSTANDING OF U.S. GOVERNMENT POLICIES AND AMERICAN SOCIETAL VALUES BE IMPROVED (TO INCLUDE OVERFLIGHT PERMISSION FOR MILITARY AND CIVILIAN

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1. CORSES OF ACTION:

(A) COURSES OF ACTION INVOLVING INCREASED CONTACTS, MAINTENANCE OF AID LEVELS, PRESSURE ON RHODESIA AND SOUTH AFRICA TOWARDS MAJORITY RULE AND RACIAL JUSTICE LISTED UNDER OBJECTIVE A ARE EQUALLY HELPFUL TOWARDS REALIZING THIS OBJECTIVE.

(B) CU EDUCATIONAL AND CULTURAL EXCHANGE PROGRAM WILL BE FOCUSED AND, WHERE POSSIBLE, EXPANDED IN FIELDS WHERE MISPERCEPTION AND MISUNDERSTANDING OF AMERICAN SOCIETY PRESENTLY IMPEDES OR OBSTRUCTS COMMUNICATION AND UNDERSTANDING IN AREAS OF MUTUAL BENEFIT TO ZAMBIA AND THE U.S.

(C) EMBASSY WILL MOVE TO IMPLEMENT THE SOUTHERN AFRICA MANPOWER DEVELOPMENT PROJECT IN SUCH A MANNER AS TO PROVIDE ZAMBIANS WITH BADLY NEEDED TECHNOLOGICAL AND MANAGERIAL SKILLS SO TO PROVIDE THE NATION WITH TRAINED MANPOWER WHO AT THE SAME TIME
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WILL BE RESPONSIVE TO U.S. VALUES AND TECHNIQUES.

(D) EMBASSY WILL USE VISITING LECTURERS AND OTHER INFORMATION RESOURCES AT THE POST TO CLARIFY ZAMBIAN MISPERCEPTIONS OF U.S. SOCIETY AND EDUCATE ZAMBIANS TOWARD A VIEW THAT AMERICA IS A PROGRESSIVE, DYNAMIC, DEMOCRATIC AND PRAGMATIC COUNTRY.

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Message Attributes

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Copy: SINGLE
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Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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Original Handling Restrictions: EXDIS
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Previous Channel Indicators: n/a
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Previous Handling Restrictions: EXDIS
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2750716
Secure: OPEN
Status: NATIVE
Subject: PARM: ANNUAL POLICY AND RESOURCE ASSESSMENT - PART I
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To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2d8e2aa2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009